



# PERSpectives



December 2005

Public Employee Retirement System of Idaho



A message from Jody B. Olson  
Retirement Board Chairman

## ENDING THE YEAR ON A HIGH NOTE

It is always exciting to close out the year with good news. I am pleased to report at its October meeting, the Retirement Board approved a 3.6 percent discretionary cost-of-living adjustment (COLA) for our more than 27,000 retirees.

This exceeds last year's increase of 2.7 percent plus the 0.8 percent retro COLA. The Board was able to approve the increase because the funding level as of June 30, 2005, was at 93.2 percent of the actuarial accrued liability.

The COLA must still be affirmed by the legislature when it reconvenes; however, I am confident the decision will stand. When approved, the COLA will go into effect on March 1, 2006.

The second bit of good news is the Board is delaying the planned contribution rate increase for both employers and employees until July 1, 2007. As it does each year, the Board carefully reviewed

the contribution rate schedule and determined we could postpone the increase for another year because PERSI has been fiscally prudent and has, once again, had a good return on investments. This postponement means our more than 64,000 active members and our 684 employers will not have to pay nearly \$22 million into the fund during the coming year.

While it is not uncommon for public pension systems to operate at a funding ratio of less than 100 percent, in recent years the funding gap has widened dramatically for many systems. This is not the case with PERSI; in fact, it is quite the contrary. PERSI has continued to increase its funded ratio and, as such, has remained in the top tier of public retirement systems nationwide. Thanks to the capable staff and exceptional leadership of Executive Director Alan Winkle and an experienced investment team led by Chief Investment Officer Bob Maynard, PERSI is on solid ground for the future.

## PERSI ANSWER CENTER UP AND RUNNING SMOOTHLY

In an effort to improve its customer service without compromising the "personal touch" for which it is known, during the past year PERSI created a contact center with the goal of answering questions and/or responding to inquiries without transferring or passing callers around, and without asking members to call back. Still a "work in progress," the PERSI Answer Center (PAC) was launched in September with seven staff dedicated to phone duties and six retirement counselors available throughout the state to meet with members.

PERSI committed considerable resources and effort so the PAC staff would receive the training necessary to ensure success, knowing there would be a return on investment through a better educated staff and more satisfied members. Training modules specifically designed for PAC staff included comprehensive coverage of retirement benefits, sick leave, separations, and divorce, disability, and death issues.

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# Insights

## ACCOUNT INFORMATION EASILY ACCESSIBLE ONLINE

### -retiree “pay stub” feature just added-

PERSI members have long been able to access their personal account information on the PERSI Web site. That convenience has been enhanced to include access to retiree benefit change statements (aka “pay stubs”) and 1099s will be added soon.

#### Accessing Your Account Information

On the PERSI home page, under the Account Information tab, click on “My Account Information” on the drop-down menu to go to the “Member Account Information” log on page. The first time you visit the “Member Account Information” page, you will be asked to register for access to your account. To get to the registration page, click the “Register Now” link. The registration page will ask for your personal identifying information, including the last four digits of your Social Security number or your member identification number, date of birth, and last name. Once you’ve completed this information, click the “Submit” button to proceed. The next step in the registration process will be to enter your email address. As an added layer of security, you’ll also be asked to select a “secret” question with an answer only you should know. After entering your email and secret question information, click the Submit button to go to the last step.

The final step is the easiest...you’re told a password has been emailed to you and should be received within a few minutes. That’s it, you’re done with the registration process! The next time you want to access your account information, you’ll simply enter your email address and password. [If you change your email address, be sure to make the change with PERSI. The change can easily be done online by following the “Help Page” link on the “My Account Information” page.]

#### Online Pay Stub

To review your benefit change statement, which is similar to a pay stub, click the “Benefit Change Statement” link available once you’ve logged on to the “My Account Information” page. You can

check your current benefit information, tax and voluntary deductions, and year-to-date totals. What you see online is the same as the benefit change statement you would receive by mail if there was a change affecting your benefit. Since the statements go back for a period of 24-months, it’s easy for retirees to track changes over time. (See graphic on next page.)

#### 1099s Coming Soon

PERSI continually looks for ways to make life easier for our retirees. The 1099-R (the tax document for distributions from pensions, annuities, retirement or profit-sharing plans, IRAs, or insurance that you receive each January) will soon be available online. While the 1099-R will continue to be mailed to you each year, PERSI expects to have it available online by February 2006. So if you need a duplicate, you will no longer have to write PERSI to obtain the copy, you can simply visit the Web site.

#### Protecting Your Personal Information

Having personal information available online is convenient; however, many retirees are concerned about security. PERSI incorporates every means possible to ensure your personal information is protected from identity theft, fraud, and security breaches. From password-protected log on to secret questions and answers, we strive to keep your information private. To help PERSI in this effort, do not share your password or secret question and answer with anyone. If you write down the information, don’t store it in an easily accessible location, and you should change your password frequently.

If you have any questions about accessing your account, the PERSI Answer Center (see story on page 1) is available to assist you. When calling PERSI, you should have your Social Security number available and the answer to your secret question ready in case you’re asked. The phone number at PERSI is (208) 334-3365 or toll-free (800) 451-8228.

## ONLINE PAY STUB

Benefit Change Statement  
("Pay Stub") now available  
on the PERSI Web site at  
[www.persi.state.id.us](http://www.persi.state.id.us)

## PERSI CLARIFIES ITS ROLE WITH MEDICARE PART D


PERSI devoted its last newsletter to the new Medicare Part D prescription program. It's come as no surprise members are calling for additional information. PERSI prides itself on providing a high level of customer service, but finds itself in an unusual situation...the questions being raised by our members have little to do with PERSI, and a whole lot to do with insurance and employers.

PERSI's role with Medicare Part D has been to provide members with an overview of the program. We are not in a position to respond to specific questions about employer-sponsored retirement insurance; these types of questions should be answered by insurers and employer payroll personnel. What we do know is PERSI will treat Medicare Part D deductions exactly like it has been dealing with Parts A and B — we aren't involved with premium deductions. Retired members with Medicare Parts

A and B typically have the premiums deducted from their Social Security checks or pay the costs directly themselves. It will be the same for Part D. Premiums for employer-sponsored insurance will continued to be deducted from retirement checks or sick leave as currently provided.


Admittedly, this is a confusing time. This new Medicare feature is confusing to the insurance providers, employers, and to our members and retirees. PERSI will continue training its staff to answer Medicare program-related questions, and will refer callers to employers and insurance providers as appropriate. We have encouraged employers **not** to refer employees with insurance questions to PERSI, but rather to the insurance provider. We want to help our members get to the right source for accurate information.

RETIREE



PERSpectives

Public Employee Retirement System of Idaho



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Almost immediately, the PAC staff was bombarded with Medicare Part D questions. Thanks to training and educational materials provided by the Senior Health Insurance Benefit Advisors (SHIBA) program and other agencies involved, the staff was able to field questions and redirect callers to the appropriate sources for accurate and up-to-date information.

By establishing a centralized contact center staffed with generalists, PERSI can respond to members more quickly. According to PAC Manager Judy Aitken, "We're able to give the right answer without shuttling callers around. This saves our members valuable time, and reduces their frustration level since they are dealing with a single source. There are questions and situations, however, which are so complicated they require a specialist. In those instances, callers are asked if they would like to speak with a specialist or make an appointment with one of the PERSI retirement counselors."

The PAC idea emerged from a reengineering process initiated by PERSI in 2003. By restructuring the organization, PERSI is better positioned to meet the increasing needs of both its members and employers well into the future.



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